

Public Hearing Washoe County Fiscal Year 2023 Tentative & Final Budget

Washoe County
Commission
Meeting
May 17, 2022

Eric P. Brown,
County Manager





FY 2023 Budget Timeline

Oct/Nov	Dec	Jan	Feb	Mar	Apr/May	May/June
Budget instructions & calendar distributed	Departments Budget Training Sessions	CIP cost estimates reviewed by SMEs	Analysis & follow up of net-zero and contractual base budget changes Preliminary analysis & follow up of Above Base Requests	Tentative Budget Personnel Cost Plans Run and Posted	Tentative Budget State Document prepared and submitted to Dept. of Taxation	BCC Public Hearing and adoption of Budget (NRS 354) & approval of 5-Year CIP Plan
Departments CIP Training Workshop	Departments Review Estimates to Complete & Base Budgets	Departments presentations to CIP Committee	CIP Committee recommendations to County Manager	Analysis & follow up on above base requests	Feedback to Department Heads on County Manager recommendations	Budget submitted to State Department of Taxation by June 1 st (NRS 354)
CIP Project Requests Submitted by Departments	Base Personnel Cost Plans Run and Posted	Departments submit net-zero and contractual base budget changes	Preliminary State Property Tax Projections	Final tax rates and State revenue projections for Property and C-Taxes	County Manager's recommended Budget presented to BCC	
	CIP Committee reviews project requests and initial scoring	Departments submit above base budget requests	Departments above base request meetings with Budget and Senior Management	Budget meetings with individual Commissioners and County Manager		



Economic Outlook

- Nationally, economic growth expected to slow as consumer confidence slips due to increased costs (energy, food, labor & supplies), higher interest rates and geopolitical concerns from Russia's war on Ukraine
- Locally, unemployment low at 2.6% with a tight labor market, slowing construction sector and housing affordability continues to decline
- As economic growth slows revenue growth will slowdown:
 - Property Tax final projection State Dept. of Taxation (8.4%-All Funds)
 - Taxable Sales/C-Tax estimate (FY2022-end 10.5%; FY2023 5.5%)
 - Fines and Fee revenues continue to trend lower
 - Other Revenues projected for slow growth or flattening
- County's ongoing expenses growing faster than revenue due to increased personnel costs, expanded services and higher costs for services, supplies, materials and utilities

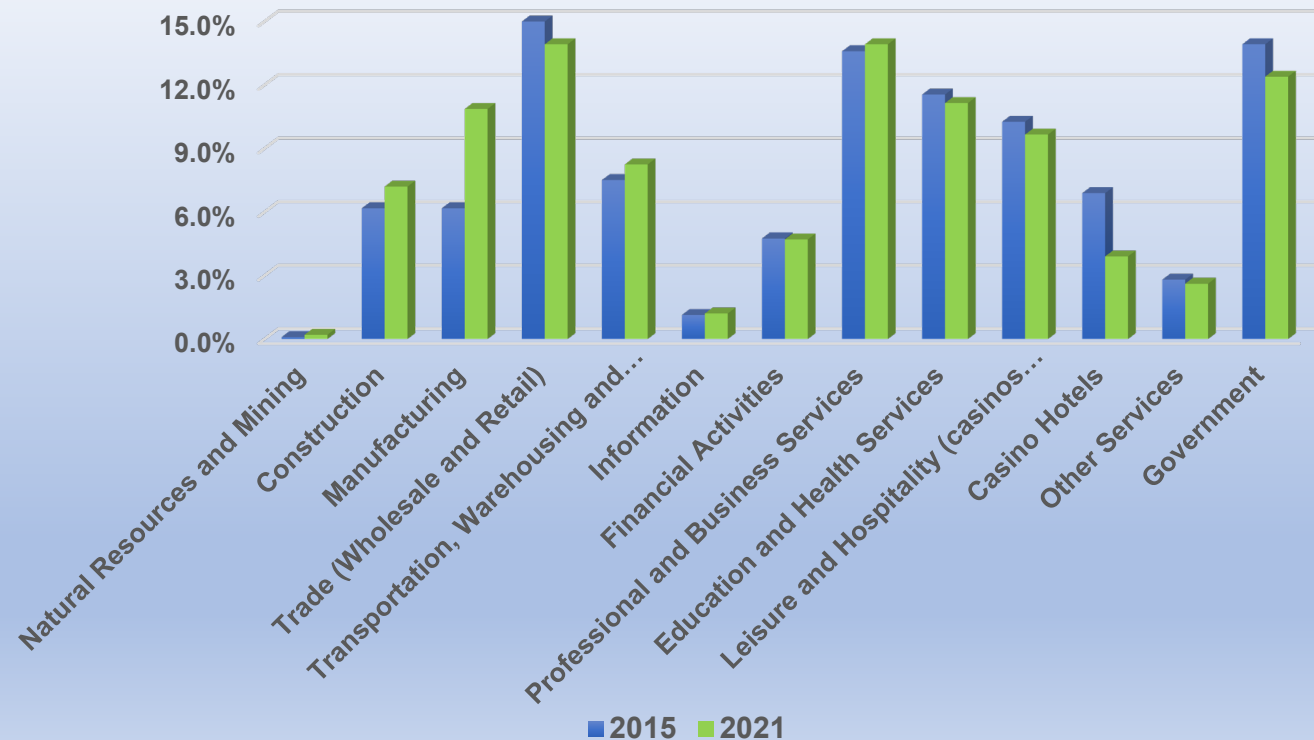


Economic Outlook

Washoe County Taxable Sales

Fiscal Year	Washoe County	% Change	State of Nevada	% Change
2010	\$5,176,981,699		\$37,772,066,777	
2011	5,282,935,192	2.0%	39,935,010,577	5.7%
2012	5,522,605,351	4.5%	42,954,750,131	7.6%
2013	5,824,726,136	5.5%	45,203,408,413	5.2%
2014	6,370,684,534	9.4%	47,440,345,167	4.9%
2015	6,817,588,648	7.0%	50,347,535,591	6.1%
2016	7,550,466,734	10.7%	52,788,295,421	4.8%
2017	7,989,009,111	5.8%	56,547,741,530	7.1%
2018	8,531,252,745	6.8%	58,947,823,520	4.2%
2019	8,829,863,974	3.5%	62,561,025,875	6.1%
2020	9,250,415,486	4.8%	61,365,683,690	-1.9%
2021	11,049,067,465	19.4%	67,704,797,544	10.3%
2022	8,023,290,805	16.2%	52,614,217,317	26.7%

Washoe County Employment by Industry Sector





FY 2023 Budget Priorities

Base Budget Increases

(contractual obligations, supplies, utilities and collective bargaining)

Legislative Impacts

(unfunded mandates from 2021 Session)

Property Tax Refunds

(legal settlement 2nd year of refunds)

CARES Campus Operations

(ramping up)

Infrastructure Score Card

(maintain assets & CIPs \$250M+ identified needs)

Above Base Requests

(\$35 million and 142 FTEs requested)

Expenses Expected to Increase Faster than Revenue - Financial Resources Will Not Support All Departmental Needs and Requests for FY 2023

The Waterfall of Priorities Considered



FY 2023 Budget (All Funds)

Highlights:

- Year 2 of Property Tax Refunds: legal obligation
- Legislative Unfunded Mandates (AB 424 and Elections)
- Increase Stabilization Fund to 1% of Operating Budget
- Investment in Capital Improvement Program & Infrastructure Scorecard projects
- Expansion of CARES Campus ongoing operating costs for Homelessness Services
- Additional 97.52 full time equivalent positions (FTE's)



FY 2023 Budget (All Funds)

Material changes between the FY 2023 Recommended budget presented on April 19, 2022, and the FY 2023 Final Recommended Budget:

GENERAL FUND: Net increase \$3,000,000:

- District Attorney - \$755,858
 - Additional 7.0 positions; 3.0 for AB424 and 4.0 for Criminal
- Community Reinvestment - \$54,011
 - Additional 1.0 Program coordinator to assist with ARPA and Community Support/Other funding opportunities. 50% ARPA-funded
- Reduced Transfer to Homelessness Fund - \$809,869
 - Offset District Attorney and Community Reinvestment increases
- Increased Transfer to Internal Service Fund - Health Benefits Fund - \$3,000,000
 - Estimated impacts due to increased program costs

CIP FUND: Net increase \$29,216,744:

- Increased Capital Project(s) appropriations for:
 - Inclusion of FY 2023 projects that were contingent upon available funding-including FY 2022 transfers - \$10.6 million
 - Revised 2022 year-end true-ups and new FY 2023 projects - \$18.6 million



FY 2023 Budget (All Funds)

Washoe County Authorized FTEs



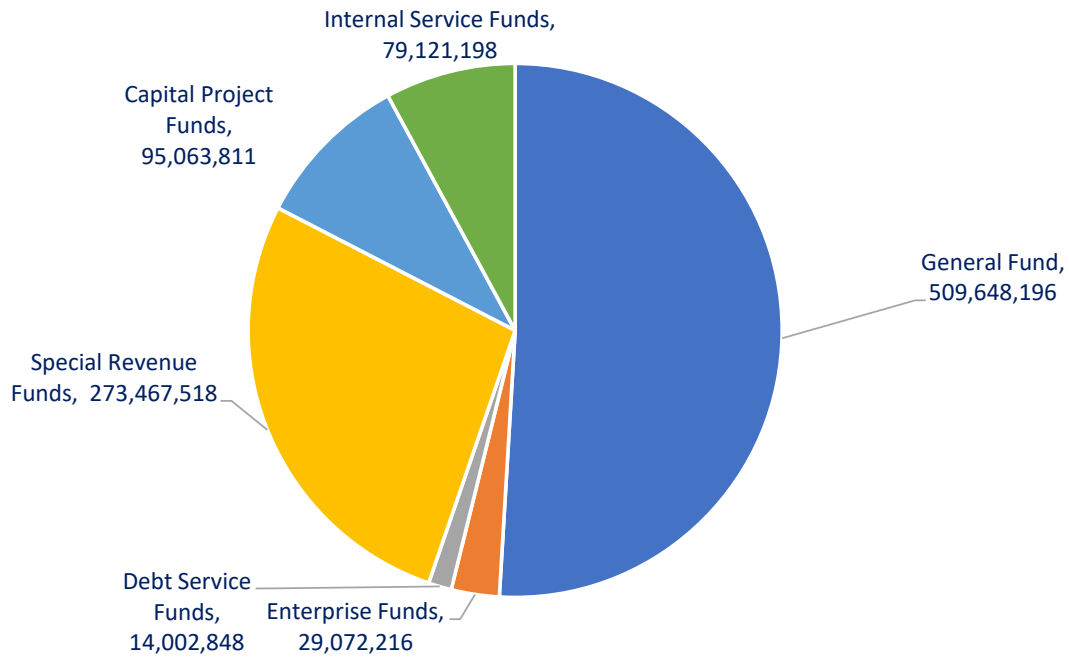
	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Population	409,085	418,061	423,833	417,379	421,593	423,654	427,704	432,324	436,797	441,946	448,316	451,923	460,237	469,801	473,606	485,113
*per State Doc																
FTE's per 1,000 pop.	7.8	7.5	7.3	6.5	6.1	6.0	5.8	5.9	5.8	6.0	5.9	5.9	6.0	5.9	6.0	6.2
One FTE supports X residents	128.67	132.83	137.54	153.96	165.16	167.81	171.11	169.78	171.00	166.62	168.19	169.77	168.03	169.63	167.53	160.44



FY 2023 Budget (All Funds)

FY 2023 Budget Totals Over \$1 Billion

Washoe County FY 2023 Budget - All Funds



Washoe County		
	Fiscal Year 2022	Fiscal Year 2023
	Final	Final
Total Budget Appropriations*		
Governmental Funds		
General Fund	\$ 436,638,743	\$ 509,648,196
Special Revenue Funds	238,081,653	273,467,518
Capital Project Funds	50,436,306	95,063,811
Debt Service Funds	13,752,515	14,002,848
Total Governmental Funds	\$ 738,909,217	\$ 892,182,373
Proprietary Funds		
Enterprise Funds	23,692,567	29,072,216
Internal Service Funds	75,343,284	79,121,198
Total Proprietary Funds	\$ 99,035,851	\$ 108,193,414
Total Appropriations - All Funds	\$ 837,945,068	\$ 1,000,375,787

*Total appropriations include expenditures, contingencies and transfers out



FY 2023 Budget (All Funds)

ESTIMATED EXPENDITURES AND OTHER USES GOVERNMENTAL FUNDS

GOVERNMENTAL FUNDS	SALARIES AND WAGES	EMPLOYEE BENEFITS	SERVICES & SUPPLIES	CAPITAL OUTLAY	CONTINGENCIES AND OTHER USES	OPERATING TRANSFERS OUT	TOTAL APPROPRIATIONS
General	190,097,863	95,787,151	100,191,418	1,104,198	11,615,400	110,852,166	509,648,196
Health	15,262,330	7,003,005	6,380,991	250,000	-	90,000	28,986,326
Library Expansion	1,459,803	628,553	1,435,465	-	-	410,000	3,933,821
Animal Services	3,049,196	1,468,893	1,876,004	-	-	-	6,394,093
Marijuana Establishments	-	-	6,000	-	-	1,087,000	1,093,000
Regional Communication System	576,139	240,719	931,255	120,000	-	3,304,142	5,172,254
Regional Permits System	-	-	760,536	-	-	-	760,536
Indigent Tax Levy	1,272,680	617,442	17,993,112	-	-	23,961,990	43,845,224
Homelessness Fund	4,949,380	2,460,663	24,040,483	300,000	72,700	-	31,823,226
Child Protective Services	23,865,884	11,497,264	34,000,100	256,200	-	109,454	69,728,902
Senior Services	2,523,250	1,240,672	3,403,461	170,000	-	137,576	7,474,960
Enhanced 911	156,000	70,222	6,340,420	200,000	-	2,500,000	9,266,643
Regional Public Safety	389,693	186,393	313,027	145,000	-	-	1,034,113
Central Truckee Meadows Remediation	626,563	288,299	2,565,298	-	-	-	3,480,160
Truckee River Flood Mgt Infrastructure	692,685	309,837	11,940,665	-	-	2,487,925	15,431,112
Roads Special Revenue Fund	4,420,468	2,138,065	6,604,378	5,456,000	-	-	18,618,911
Other Restricted Special Revenue	10,411,542	4,964,161	8,440,594	601,416	-	2,006,525	26,424,238
Capital Facilities Tax	-	-	6,892,501	-	-	1,950,000	8,842,501
Parks Construction	-	-	1,402,702	4,498,369	-	-	5,901,072
Capital Improvements Fund	-	-	5,485,085	74,835,154	-	-	80,320,239
Regional Permits Capital	-	-	-	-	-	-	0
Washoe County Debt Ad Valorem	-	-	2,855,174	-	-	-	2,855,174
Washoe County Debt Operating	-	-	10,863,561	-	-	-	10,863,561
SAD Debt	-	-	284,113	-	-	-	284,113
TOTAL GOVERNMENTAL FUNDS	259,753,476	128,901,340	255,006,343	87,936,338	11,688,100	148,896,777	892,182,373

PROPRIETARY AND NON EXPENDABLE TRUST FUNDS

PROPRIETARY FUND	OPERATING EXPENSES**	NON-OPERATING EXPENSES	TOTAL APPROPRIATIONS
Building & Safety	4,052,975	2,000	4,054,975
Utilities	20,240,975	847,605	21,088,580
Golf Course	3,927,361	1,300	3,928,661
Health Benefits	60,917,370	-	60,917,370
Risk Management	8,837,012	-	8,837,012
Equipment Services	9,366,816	-	9,366,816
TOTAL PROPRIETARY FUNDS	107,342,509	850,905	108,193,414

A white calculator is positioned on a document, likely a budget or financial report. The calculator is a standard desktop model with a large LCD screen and a numeric keypad. The document beneath it contains various numbers and text, including "155,395.80" and "152,465.90". A blue curved overlay covers the right side of the image, containing the title text.

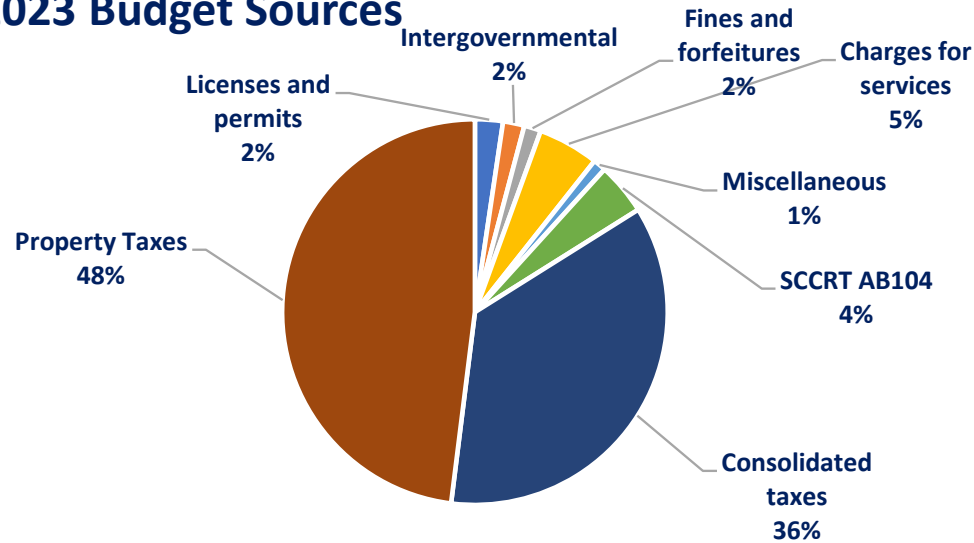
FY 2023 Budget – General Fund



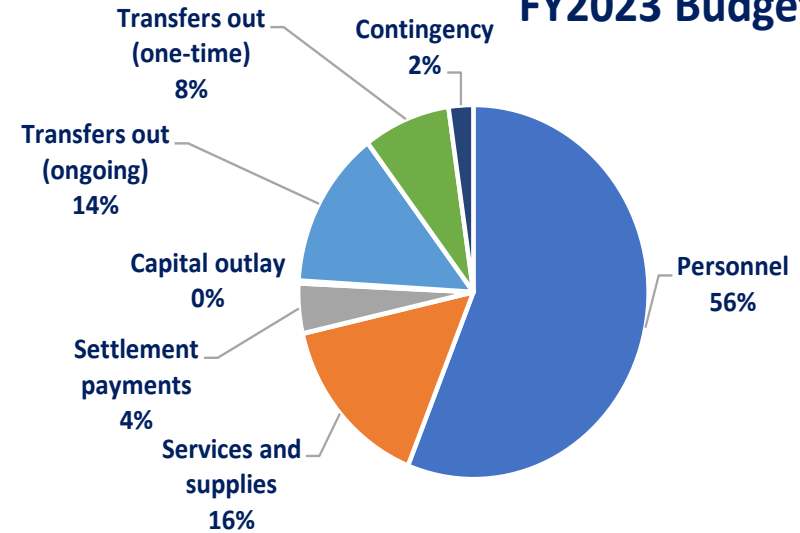
FY 2023 General Fund Budget

General Fund Sources & Uses

General Fund FY2023 Budget Sources



General Fund FY2023 Budgeted Uses





FY 2023 General Fund Budget

Total Sources = \$462.5 M, increase of \$25.4M, or 5.8%
 Total Uses = \$509.7 M, increase of 61.8M, or 13.8%
 Budget Balanced with \$47.2M use of fund balance:

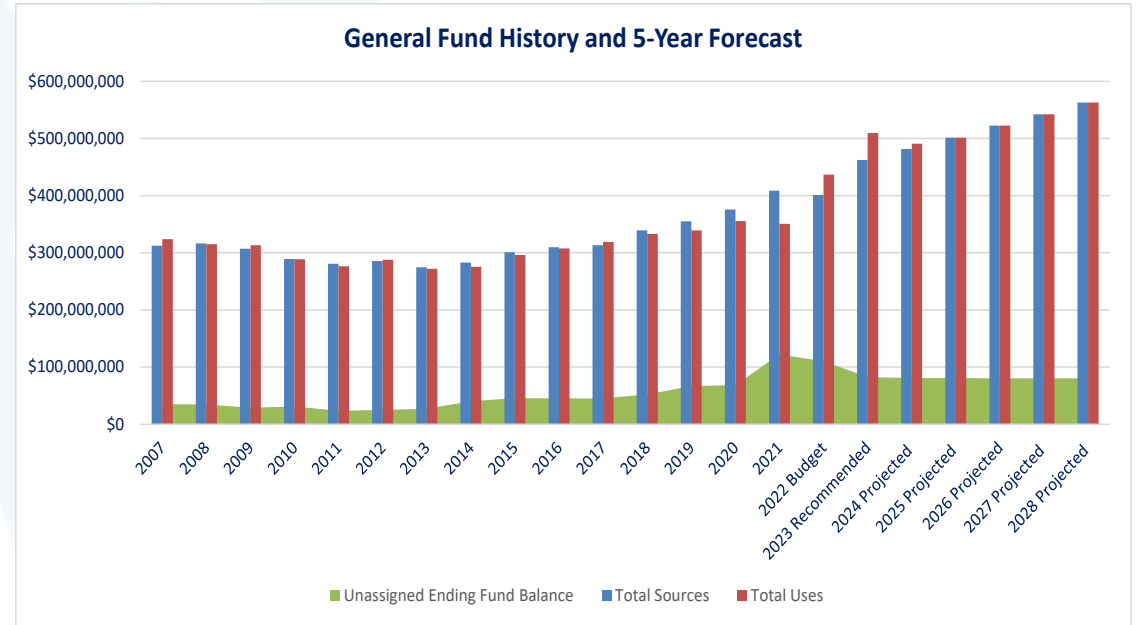
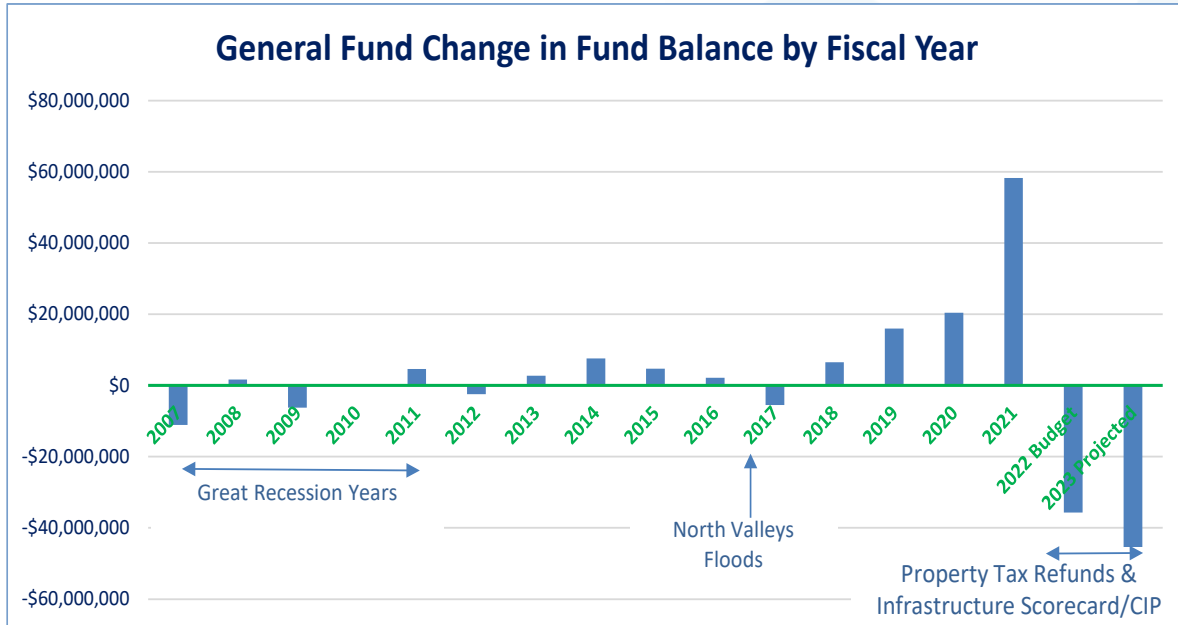
- One Time Uses: legally obligated settlement payments (year 2), one-time transfers out for Capital Improvement Program & Infrastructure Scorecard projects, and one-time transfer out to Health Benefits Fund
- Ongoing Uses: Salaries & benefits, including 67.05 net new FTE's, services & supplies, and ongoing transfers out to support other funds, including increase to Homelessness Fund for CARES Campus operating

Washoe County FY 2023 General Fund Final Budget					
Sources and Uses	FY 2022	FY 2023	FY 2023	FY23 Final vs. FY22	
	Estimate	Tentative	Final	% Var.	\$ Var.
Revenues and Other Sources:					
Taxes	203,703,752	222,084,279	222,084,279	9.0%	18,380,527
Licenses and permits	10,545,793	10,832,500	10,832,500	2.7%	286,707
Consolidated taxes	157,325,692	165,978,000	165,978,000	5.5%	8,652,308
SCCRT AB104	19,059,253	20,107,438	20,107,438	5.5%	1,048,185
Other intergovernmental	12,149,449	8,281,520	8,281,520	-31.8%	(3,867,929)
Charges for services	22,638,845	23,618,771	23,618,771	4.3%	979,926
Fine and forfeitures	6,550,982	6,544,782	6,544,782	-0.1%	(6,200)
Miscellaneous	4,310,611	4,419,691	4,419,691	2.5%	109,080
Total revenues	436,284,377	461,866,981	461,866,981	5.9%	25,582,604
Other sources, transfers in	729,439	587,000	587,000	-19.5%	(142,439)
TOTAL SOURCES	437,013,816	462,453,981	462,453,981	5.8%	25,440,165
Expenditures and Other Uses:					
Salaries and wages	170,477,210	189,622,732	190,097,863	11.5%	19,620,653
Employee benefits	88,855,890	95,479,621	95,787,151	7.8%	6,931,261
Services and supplies	73,633,140	78,089,340	78,191,418	6.2%	4,558,277
Settlement payments (one-time)	16,000,000	22,000,000	22,000,000	37.5%	6,000,000
Capital outlay	1,160,113	1,104,198	1,104,198	-4.8%	(55,915)
Total expenditures	350,126,353	386,295,891	387,180,630	10.6%	37,054,277
Transfers out	61,849,260	70,665,860	69,855,991	12.9%	8,006,731
Transfers out (one-time)	34,896,774	37,996,175	40,996,175	17.5%	6,099,401
Contingency	1,000,000	11,588,877	11,615,400	1061.5%	10,615,400
TOTAL USES	447,872,387	506,546,803	509,648,196	13.8%	61,775,809
Net Change in Fund Balance	(10,858,571)	(44,092,822)	(47,194,215)		
Beginning Fund Balance	152,489,354	141,737,017	141,630,783		
Ending Fund Balance	141,630,783	97,644,195	94,436,569		
Unassigned Ending Fund Balance	\$121,057,252	\$85,749,722	\$82,542,096		
Unassigned Ending Fund Balance %	27.2%	17.4%	16.6%		

*as % of Expense & Transfers less Capital



General Fund - Fund Balance



FY2023 General Fund Budget includes one-time use of fund balance for settlement payments and capital improvements.

General Fund 5-year forecast shows structurally balanced budgets FY's 2025-2025 and unassigned fund balance within reserve policy limits.

Note: Forecast is subject to change based on collective bargaining agreements once finalized.



FY 2023 Recommended General Fund Budget

General Fund Recommended Net New Position FTE's

Function	Department	Net FTE Change
Legislative:	Alternate Public Defender	1.00
	District Attorney	10.00
	District Court	3.00
	Reno Justice Court	2.00
	Sheriff	9.00
	Sparks Justice Court	<u>3.00</u>
	Total Legislative	28.00
Criminal Justice:	Alternative Sentencing	2.00
	District Attorney	4.00
	District Court	2.00
	Juvenile Services	3.40
	Public Defender	1.00
	Sheriff	<u>10.00</u>
	Total Criminal Justice	22.40
Vulnerable Populations:	Public Guardian	<u>3.00</u>
	Total Vulnerable Populations	3.00

Function	Department	Net FTE Change	
Central/Regional/Other Support:	Assessor	1.00	
	Budget	1.00	
	Communications	2.00	
	Community Reinvestment	1.00	
	Fire Suppression	(2.40)	
	Human Resources	1.00	
	Internal Audit	1.00	
	Medical Examiner	3.00	
	Parks & Open Space	3.10	
	Sheriff/Incline Constable	(0.90)	
	Sparks Justice Court	(0.15)	
	Sustainability	1.00	
	Technology Services	2.00	
	Treasurer	<u>1.00</u>	
	Total Central/Regional/Other Support	13.65	
	Total General Fund		67.05

Note: Due to potential impacts of outstanding Collective Bargaining negotiations, departments might not be able to begin recruitment for additional positions, or begin certain projects, until July 1st (or after), except for certain mandates such as AB424 & Elections.



FY 2023 Recommended General Fund Budget

General Fund Recommended Reclassifications

Function	Department	# of Incumbents/ Positions
Criminal Justice:	Juvenile Services	1.00
	Public Defender	1.00
	Reno Justice Court	1.00
	Sheriff (title change only)	<u>1.00</u>
	Sparks Justice Court	<u>1.00</u>
	Total Criminal Justice	4.00
Vulnerable Populations:	Public Guardian	13.00
Central/Regional/ Other Support:	Budget	5.00
	Communications	2.00
	Community Services	8.00
	District Court	2.00
	Emergency Management	1.00
	Housing & Homeless Services	2.00
	Human Resources (title change only)	1.00
	Internal Audit (title change only)	1.00
	Technology Services	<u>3.00</u>
	Treasurer	<u>1.00</u>
	Total Central/Regional/Other Support	16.00
Total General Fund		44.00



FY 2023 Recommended General Fund Budget

General Fund FY 2023 Recommended Transfers Out

Transfer Out to Fund:	Amount
Capital Improvement	\$44,996,175 (\$7 million ongoing & \$38 million one-time)
Indigent Services	\$22,071,347
Homelessness Fund	\$20,027,665
Health District	\$9,516,856
Debt Service	\$6,155,807
Senior Services	\$3,428,882
Health Benefits Fund	\$3,000,000 (one-time)
Road Maintenance	\$1,208,197
Child Protective Services	\$447,237
Total General Fund	\$110,852,166

Total Transfers Out \$110.8 million
 \$56.8 million increase over FY 2022:

- \$38M Capital Improvement Fund (one-time)
- \$12.5M Homelessness Fund (ongoing)
- \$3M Health Benefits Fund (one-time)
- \$2M Senior Services (ongoing)
- \$950K Indigent Fund (ongoing)



Highlighted Other Funds

FY 2023 Budget



FY 2023 Recommended Homelessness Fund Budget

Programs:

- General Administration
- Sheriff Homelessness Initiative
- Crossroads
- Cares Campus Shelter
- Care Campus Safe Camp
- Continuum of Care
- Housing Administration
- Human Services:
 - Administration
 - Our Place
 - Women's Program
 - Temporary Assistance for Displaced Seniors (TADS)
 - Other (VOCA, Fund for Health NV, etc.)

Positions/FTEs: Total = 87.2 (current-not new)

- Housing & Homeless Services 43.70
 - Includes funding for other department positions (i.e., CSD, Manager's, etc.)
- Human Services 36.50
- Crossroads 2.00
- Sheriff's Initiative 5.00

Transfers In: = \$30.95M

- General Fund = \$20M
- Indigent Fund = \$10.2M
- Marijuana Fund = \$500K
- CPS & Senior Services Funds = \$240k

Washoe County FY 2023 Homelessness Fund Recommended Budget						
Sources and Uses	FY 2021	FY 2022	FY 2023	FY 2023	FY23 Final vs. FY22	
	Actual	Estimate	Recommended	Final	% Var.	\$ Var.
Revenues and Other Sources:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	4,548,516	300,000	300,000	-93.4%	(4,248,516)
Charges for services	-	421,538	440,000	440,000	4.4%	18,462
Fine and forfeitures	-	-	-	-	-	-
Miscellaneous	-	759,579	130,000	130,000	-82.9%	(629,579)
Total revenues	-	5,729,633	870,000	870,000	-84.8%	(4,859,633)
Other sources, transfers in	-	16,741,350	31,763,095	30,953,226	84.9%	14,211,876
TOTAL SOURCES	-	22,470,983	32,633,095	31,823,226	41.6%	9,352,243
Expenditures and Other Uses:						
Salaries and wages	-	3,707,795	4,949,380	4,949,380	33.5%	1,241,585
Employee benefits	-	1,820,179	2,460,663	2,460,663	35.2%	640,484
Services and supplies	-	16,026,647	24,850,352	24,040,483	50.0%	8,013,836
Capital outlay	-	555,866	300,000	300,000	-46.0%	(255,866)
Total expenditures	-	22,110,487	32,560,395	31,750,526	43.6%	9,640,039
Transfers out	-	-	-	-	-	-
Contingency	-	91,876	72,700	72,700	-20.9%	(19,176)
TOTAL USES	-	22,202,363	32,633,095	31,823,226	43.3%	9,620,863
Net Change in Fund Balance	-	268,620	-	-		



FY 2023 Recommended Budget Other Funds

Other Funds Recommended Net New Position FTE's and Reclassifications

New Positions

Reclassifications

Function	Department	Net FTE Change
Health & Sanitation:	Health District	8.47
Welfare:	Human Services - Child Protective Services	12.00
	Human Services – Homelessness	3.00
	Human Services – Senior Services	<u>5.00</u>
	Total Welfare	20.00
Public Safety:	Animal Services	1.00
	Regional Communications	<u>1.00</u>
	Public Safety	2.00
Total Other Funds		30.47

Function	Department	# of Incumbents/ Positions
Health & Sanitation:	Health District	6.00
Welfare:	Human Services – Senior Services (title change only)	5.00
Public Safety:	Animal Services	1.00
Total Other Funds		12.00

Note: Due to potential impacts of outstanding Collective Bargaining negotiations, departments might not be able to begin recruitment for additional positions, or begin certain projects, until July 1st (or after), except for certain mandates such as AB424 & Elections.

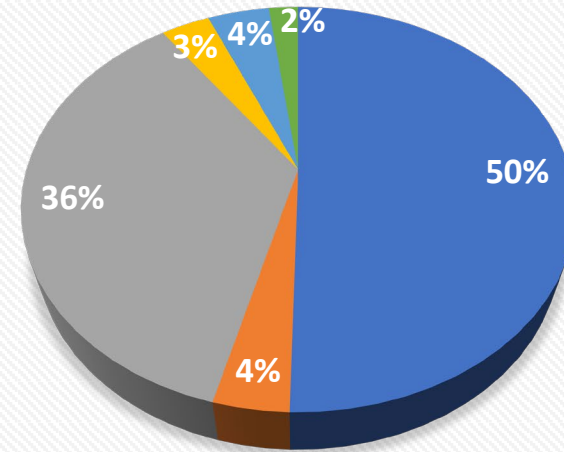


FY 2023 Recommended Budget CIP

Recommended Capital Improvement & Infrastructure Scorecard Projects

CAPITAL IMPROVEMENTS PLAN SUMMARY	Year 1 - FY 2023
Fund	
Capital Improvement Fund	80,313,239
Equipment Services Fund	5,901,072
Other Funds	57,484,000
Parks Capital Fund	5,456,000
Roads Fund	3,291,814
Utilities Fund	6,900,679
Capital Projects Included in CIP	159,346,804

FY 2023 Capital Improvement Budget by Fund Type
Total Appropriations \$159,346,804



■ Capital Improvements Fund
 ■ Parks Capital Fund
 ■ Utilities Fund
■ Roads Fund
 ■ Equipment Services Fund
 ■ Other Funds

Additional information, specific projects, etc. will be covered in a separate staff report/presentation



FY 2023 Recommended Budget

Next Steps:

- June 1, 2022 - Submit FY 2023 Final Budget to State

Questions/Discussion?

